August 16, 2017

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Temporary Corporate Credit Union Stabilization Fund Closure

Dear Secretary Poliquin:

On behalf of CASE Credit Union, I am writing regarding the National Credit Union Administration's proposal to close the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) and raise the National Credit Union Share Insurance Fund's normal operating level to 1.39 percent.

CASE Credit Union serves nearly 45,000 members throughout the lower peninsula of the State of Michigan, with total assets of nearly $285 million. Additionally, CASE Credit Union is a Community Development Credit Union with a large focus on developing the under-banked population in the areas in which we serve. As you are aware, adequate capital is necessary in order to develop these segments of our membership.

To date, CASE Credit Union has paid approximately $1.4 million in NCUSIF and TCCUSF premiums. Even at our current asset size, this represents a 49 basis point reduction in our capital ratio. We strongly agree that the NCUA's proposal to close the fund is appropriate and necessary. This reduction in capital from CASE Credit Union (and the credit union industry as a whole) has prevented additional products, services, and assistance from being able to be deployed into our communities. Because a portion of this capital is still remaining in the fund, although no longer needed, we urge the NCUA to close the TCCUSF fund in 2018 as proposed in order to return some of this excess capital back to the credit union's so that they can be utilized for further development and member assistance.

That being said, we disagree with the NCUA's suggestion that the NCUSIF operating target should be increased from 1.30% to 1.39%. First and foremost, the aforementioned increase would result in a significant reduction in capital returns to the credit union industry, which will only create prolonged financial difficulty for smaller credit unions who already operate on tight margins and thin capital ratios by creating more inability to invest in technology and other sustainable business practices.

In addition, the increase in the operating target appears to be unfounded without a full analysis of risk that is currently in the credit union system. Instead, the increase seems to be relatively arbitrary, even though the proposed 9 basis point increase would not have prevented the need for more drastic measures that occurred during the Great Recession. Lastly, there does not appear to be any language or direction that will return the operating target back to its normal level of 1.30% at any point in the future.

Thank you for the opportunity to comment on the proposed closure of the Temporary Corporate Credit Union Stabilization Fund. CASE Credit Union looks forward to the NCUA closing the fund without increased operating levels, in order to best support the credit union system.

Sincerely,

Jacob F. Darabos, CPA, MBA
Vice President of Finance / Chief Financial Officer
CASE Credit Union
Lansing, Michigan